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C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 000361

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SUBJECT: EU OFFICIALS DISCUSS BURMA WITH PDAS DAVIES

REF: USEU BRUSSELS 356

Classified By: Political Minister-Counselor Larry Wohlers for reasons 1 .4 (b) and (d).

¶1. (C) Summary. In an exchange with a group of Political and Security Committee (PSC) Ambassadors and member state representatives on the margins of U.S.-EU expert level discussions on Asia (reftel), EAP PDAS Glyn Davies discussed the U.S. position on Burma and encouraged further UN action and additional sanctions on the regime. EU participants highlighted their concerns about the human rights situation and questioned the efficacy of other actors in the region. Some identified a sense of "drift" on the issue within the EU, but expressed desire for a political discussion to help re-focus the debate. While there is support among some member states for further sanctions, others will want to ensure that any new measures are appropriately targeted and that the discussion also considers incentives for positive change. End Summary.

¶2. (C) In a meeting with PSC representatives from Austria, France, Ireland, Italy, Portugal, Spain, Sweden, and the UK, PDAS Davies outlined the U.S. assessment of the situation in Burma, saying that the regime has no interest in taking the reform process forward. In addition to supporting UN Special Representative Gambari, it is important to impress upon UN Secretary General Ban Ki Moon that there are standards that

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the regime must meet, and if they are not met, then he should say so. He added that the other avenue to pursue against the regime is sanctions. The U.S. believes that it is possible to enact sanctions that will not harm individual Burmese or inhibit money flows to NGOs. In addition, sanctions may put indirect pressure on the Chinese to encourage discussions in Burma between the regime and the opposition.

EU Questions Situation on the Ground and in the Region

¶3. (C) In response to PDAS Davies, the EU representatives raised questions about the draft constitution, referendum, and possible points of leverage and future courses of action in the region. Irish PSC Ambassador Cross said that Ireland has a strong interest in the human rights situation in Burma and described the draft constitution promulgated by the regime as "completely unacceptable." She wondered if the

regime had become impervious to outside influence from any corner, including China. Italian Mission Counselor Baruco asked about the regime's announced referendum, and Swedish Deputy PSC representative Hartzell observed that the West was acting as "bad cop," and asked about the respective stances of Burma's neighbors. He also asked whether we could work with its roadmap. French Deputy PSC representative Chabert raised the role of India.

¶4. (C) PDAS Davies said that we view the referendum as fundamentally flawed as Aung San Suu Kyi and other stakeholders had not been involved. He warned that if the international community accepts the referendum as legitimate, then that will be pocketed by the regime. If Gambari's efforts fail, then perhaps we need to return the issue of Burma to the UN Security Council for a possible sanctions discussion. PDAS Davies further noted that it has become increasingly difficult for the Chinese (in their support of the regime) to publicly argue against the UN's founding documents. ASEAN was not a robust enough institution to pressure one of its own members. Nevertheless, its September 2007 UN statement on Burma had been relatively strong, and we had noticed some modest domestic non-governmental interest in various South East Asian countries in support of democracy in Burma. PDAS Davies dismissed prospects for working with the roadmap and argued that we should go after the relatively few people at the top of the regime. He noted that the Indians have proven the most recalcitrant on Burma. This is likely a legacy of their NAM non-interference policy, as well as their growing economic interests and their competition with China over Burmese business.

#### Potential Next Steps in the EU

¶5. (SBU) UK Acting PSC Representative Lapsley said that some  
BRUSSELS 00000361 002 OF 002

in the EU would like to have a political discussion of Burma, and Cross said it was possible one might take place at the April GAERC. Lapsley added that it would be valuable to have a U.S.-EU discussion before that meeting in order to examine what steps might work. Unfortunately, there has been a feeling of "drift" within EU councils on the issue, said Irish representative Cross. Hartzell noted that while the EU has not taken any actions on Burma recently, its inclusion on the GAERC agenda in February did demonstrate that the EU was still seized with the matter.

¶6. (C) Turning to the issue of sanctions, Cross said that Ireland supported going further, with Lapsley adding that the British also supported further measures if there was no substantive progress from Gambari's efforts. He noted that the sanctions on Burmese timber and gems, which had been approved by EU FMs in October, were now ready. (Note: These sanctions will enter into force on March 10.) Lapsley thought that the EU debate would be about whether sanctions will have an effect on the right people in Burma, and Hartzell asked about the prospect for also offering incentives to the Burmese regime.

¶7. (C) PDAS Davies responded by saying that the U.S. saw sanctions as an art rather than as a science, and that we had built in safety valves to protect Burmese people. He added that the U.S. has evidence that the regime has said that U.S. sanctions are hurting and he encouraged the EU to consider targeting the three banks that the regime uses for foreign exchange. He agreed to take back the question about incentives.

¶8. (C/NF) Comment: The EU will renegotiate their common position on Burma ahead of April's GAERC meeting, and in separate, subsequent conversations with member state and EU contacts, USEU's interlocutors have predicted a debate between those inclined to give the regime the benefit of the doubt due to the proposed constitutional referendum and future elections and those who want to maintain a more

restrictive policy. On a related front, the EU also remains divided on the case for further sanctions, with some, including Council officials, arguing that any discussion of sanctions should also consider possible incentives to promote change. The occasion of the political discussion accompanying the common position renewal is a key opportunity to provide specific information to the EU on the efficacy of sanctions and international pressure as well as an analysis of the political situation and points of leverage in the region. It remains important to continue to reassure skeptical EU members that restrictive measures can be part of a wider strategy for encouraging democracy and progress in Burma.

¶9. (U) PDAS Davies has cleared this cable.

MURRAY

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